



STATE OF CONNECTICUT
EXECUTIVE CHAMBERS

M. JODI RELL
GOVERNOR

Testimony Submitted to the Planning and Development Committee
February 23, 2009

M. Jodi Rell
Governor
State of Connecticut

Testimony Supporting
H.B. No. 6387: An Act Concerning The Small Town Economic Assistance Program,
H.B. No. 6388: An Act Providing Mandate Relief To Municipalities, and
H.B. No. 6389: An Act Promoting Regionalization

Chairman Coleman, Chairman Sharkey, and distinguished members of the Planning and Development Committee, I thank you for the opportunity to submit written testimony in support of H.B. No. 6387 (An Act Concerning The Small Town Economic Assistance Program), H.B. No. 6388 (An Act Providing Mandate Relief To Municipalities), and H.B. No. 6389: An Act Promoting Regionalization.

Given the unprecedented economic crisis that Connecticut is facing, the need to reduce the cost of government (both state and local) is greater now than at any other time in history. All of our cities and towns are struggling with ways to curtail expenses and avoid increasing property taxes. As you know, some have already had to lay off employees due to projected budget deficits and others may be doing so in the near future.

One of the ways that state government can assist municipalities in reducing costs is to relieve them of the burden of unfunded mandates. Nearly all the bills on your agenda today seek to provide municipalities with mandate relief and I applaud the Planning and Development Committee for its attempts to address this important issue.

I believe strongly in the benefits of H.B. No. 6388: An Act Providing Mandate Relief To Municipalities. Many of this bill's provisions are the result of recommendations made by members of the Governor's Commission on Unfunded Mandates. Examples include allowing the dissemination of an annual town report in other than a printed booklet, as well enabling municipalities to post certain items on a municipal website instead of publishing them in a newspaper. Provisions in this bill provide for a delay in the implementation of a new mandate concerning in-school suspensions, and extending the time period for the posting of minutes on a municipality's website, in recognition of the fact that our smaller towns often rely on volunteers to accomplish this task. Additionally, the bill would repeal requirements placed on municipalities regarding an evicted tenant's possessions – a mandate our larger cities identify as particularly costly.

Of primary importance, however, are the provisions in H.B. No. 6388 that amend binding arbitration provisions for municipal employees and teachers. Our municipal leaders have long cited labor costs as the single largest cost driver of their budgets. Reforming the binding arbitration system and allowing for the suspension of contracts for up to two years during this time of unprecedented economic crisis, is an absolute necessity if we are to help cities and towns control costs.

We must also ensure that there are no new unfunded mandates. Accordingly, H.B. No. 6388 requires an affirmative vote of two-thirds of the members of both the Senate and the House of Representatives to enact any unfunded state mandate on municipalities in the future.

Towns also achieve cost savings when they act cooperatively. In recognition of the efficiencies that result from such cooperation, H.B. No. 6387 allows multiple towns to apply for and receive funding for a joint project under the Small Town Economic Development Program (STEAP).

Additionally, I urge your support of H.B. No. 6389: An Act Promoting Regionalization. I recognize, as I'm sure you do, that one of the impediments to regionalization is the up front cost of investing in the infrastructure and equipment necessary to allow for the regional delivery of services. That is why I am particularly pleased to support the creation of the new Regional Incentive Grant (RIG) and the Municipal Capital Expenditure Purchase (MCEP) Grant. Funding of \$40 million and \$10 million, respectively, for these grant programs will encourage more towns to act cooperatively to provide the services their residents need and deserve. This bill would also provide a bonus grant to towns that regionalize services, even if they do so without assistance from RIG or MECP. The bonus would equal 10% of the town's LoCIP and Town Aid Road Fund Grants for a three-year period. Moreover, the bill would remove administrative impediments to regionalism that municipal officials have identified.

The legislative and executive branches of state government have the ability to help municipal leaders control costs that are growing beyond what our local taxpayers can afford. I look forward to continuing to work together as we turn our economic challenges into opportunities by enacting comprehensive mandate relief, reforming the binding arbitration system and encouraging the regionalization of services.

I know that each of you appreciates the difficult choices our mayors and first selectmen face as they endeavor to avoid increasing property taxes. I trust you will act favorably with respect to each of these bills as a means of helping them do so.

Thank you for affording me the opportunity to provide testimony on these important bills.